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ST. TAMMANY PARISH WATERWORKS
DISTRICT NO. 3
Covington, Louisiana
FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT
December 31, 1992 and 1991

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the District House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/11/93

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To the Board of Commissioners
St. Tammany Parish Waterworks District No. 3
Covington, Louisiana

I have compiled the accompanying balance sheets of St. Tammany Parish Waterworks District No. 3 as of December 31, 2002 and 2003, and the related statements of revenues, expenses, and related earnings and cash flows for the two years then ended as listed in the foregoing table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Donna Marshall, CPA

Donna Marshall
Certified Public Accountant

May 1, 2003

ST. TAMMANT PARISH WATERWORKS DISTRICT NO. 2

BALANCE SHEETS

DECEMBER 31, 2002 AND 2001

ASSETS

	2002	2001
Current Assets		
Cash and cash equivalents (Note 2)	\$602,413	\$642,641
Revenues Receivable + Charges for services	14,847	14,751
Accrued Interest Receivable	378	3,808
Prepaid Insurance	<u>4,808</u>	<u>5,008</u>
 Total Current Assets	 622,446	 666,208
Restricted Assets		
Cash and cash equivalents (Note 2)	<u>47</u>	<u>47</u>
	47	47
Water System, Building and Equipment (Net of accumulated depreciation) (Note 4)	<u>412,448</u>	<u>414,118</u>
 Total Assets	 <u>\$1,034,942</u>	 <u>\$1,080,373</u>

The accompanying notes are an integral part of these statements.

ST. TAMMANY PARISH WATERWORKS DISTRICT NO. 3

BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

LIABILITIES AND FUND EQUITY

	<u>2020</u>	<u>2019</u>
Current		
Current Liabilities (payable from current assets)		
Accounts Payable	53,188	51,977
Due to other governmental agencies (Note 7)	55,079	77,505
	<hr/>	<hr/>
Total Current liabilities	108,267	129,482
	<hr/>	<hr/>
Total liabilities	108,267	129,482
	<hr/>	<hr/>
FUND EQUITY		
Reserved for prepaid expenses	54,000	55,000
Reserved for debt service:		
Revenue bonds (Note 3)	47	48
Reserved for right-of-way construction contingencies	10,000	10,000
Unreserved	585,018	583,589
	<hr/>	<hr/>
Total fund equity	649,065	653,637
	<hr/>	<hr/>
Total	\$1,004,582	\$883,119
	<hr/>	<hr/>

The accompanying notes are an integral part of these statements.

ST. TAMMANY PARISH WATERWORKS DISTRICT NO. 3

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
OPERATING REVENUES		
Charges for services	\$150,843	\$150,408
OPERATING EXPENSES		
Bank charges	0	0
Personal services		
Salaries and benefits	3,768	3,768
Fringe plan paid to commissioners	2,593	2,769
Contract labor	20,400	25,954
Office supplies and expenses	1,800	1,198
Insurance	6,861	5,301
Utilities	13,860	13,768
Professional services	7,416	6,317
Depreciation	23,898	21,897
Postage	624	769
Taxes & Licenses	485	1,848
Miscellaneous	367	307
Repairs & Maintenance	33,172	38,808
Total operating expenses	<u>112,798</u>	<u>111,892</u>
OPERATING INCOME	<u>38,045</u>	<u>38,516</u>
NON OPERATING REVENUES		
Interest income	5,814	30,032
Total nonoperating expenses	<u>5,814</u>	<u>30,032</u>
NET INCOME	<u>43,861</u>	<u>8,484</u>
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>889,843</u>	<u>840,459</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$933,704</u></u>	<u><u>\$848,943</u></u>

The accompanying notes are an integral part of these statements.

ST. TAMMANY PARISH WATERWORKS DISTRICT NO.3

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
Cash Flows From Operating Activities:		
Operating Income	\$40,207	\$38,814
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation	22,898	21,897
(Decrease)/ (increase) in receivables	3,422	2,408
(Increase) in prepaid insurance	372	(1,577)
(Decrease)/increase in due to other governmental activity	8,742	(400)
Increase/(Decrease) in accounts payable	215	(1,515)
(Increase)/Decrease in fixed assets	(21,808)	-0-
Net cash provided by operating activities	\$44,858	\$58,292
Cash flows from investing activities -		
Receipt of interest	5,874	20,002
Net increase in cash	\$50,732	78,292
Cash and cash equivalents at beginning of year	\$42,868	482,703
Cash and cash equivalents at end of year	\$932,407	\$562,008

The accompanying notes are an integral part of these statements.

ST. TAMMANY PARISH WATERWORKS

DISTRICT NO. 3 Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS

INTRODUCTION

The St. Tammany Parish Waterworks District No. 3 was created by the St. Tammany Parish Police Jury, as provided by Louisiana Revised Statutes (LSA-R.S.) 18:1880. The waterworks district is governed by a three-member board of commissioners who are residents of and own real estate in the district. The board is appointed by the police jury and is responsible for providing water service to users within the boundaries of the district. The water comes from deep artesian wells, and it is distributed through a central water tower. St. Tammany Waterworks District No. 3 is the collection agent for St. Tammany Parish Sewerage Districts No. 1 and No. 4.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of St. Tammany Parish Waterworks District No. 3 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the government reporting entity. Because the district is solely accountable for fiscal matters, which include (1) responsibility for finding deficits and operating deficiencies, (2) fiscal management for controlling the collection and disbursement of funds, and (3) because of the scope of public service provided by the district, the district is a separate governmental reporting entity. The district includes all funds, activities, or assets, that are within the oversight responsibility of the district. Certain units of local government over which the district maintains an oversight responsibility, such as the parish police jury, the parish school board, independently elected parish officials, and municipalities, within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the district. Starting with the year ending December 31, 2002, St. Tammany Parish Government will be following GASB Statement No. 34 which requires them to include component unit financial information in their statements. Waterworks District #3 has been determined to be a component unit of St. Tammany Parish and will be included in St. Tammany Parish's financial statements.

ST. TAMMANY PARISH WATERWORKS DISTRICT NO. 3
Notes to the Financial Statements, continued

C. FUND ACCOUNTING

The St. Tammany Waterworks District No. 3 is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the net expenses, including depreciation of providing services on a continued basis be financed or recovered primarily through user charges.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The accrual basis of accounting is used by the Enterprise Fund. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

E. CASH AND CASH EQUIVALENTS

Cash includes accounts in interest bearing demand deposits and certificates of deposit. Under state law, the waterworks district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. RECEIVABLES

The St. Tammany Parish Waterworks District No. 3 bills customers in the month following the month in which services were provided. Unbilled service charges are accrued for the month of December at year end. The district uses the direct write-off method for any receivables considered to be uncollectible.

G. FIXED ASSETS

Fixed assets of the district are included on the balance sheet of the fund. Depreciation of all depreciable fixed assets are charged to an expense against operations. Accumulated depreciation and amortization are reported on the balance sheet. Depreciation is computed using the straight line method over the estimated useful lives of 18 to 25 years.

H. LONG-TERM OBLIGATION

The waterworks district has no long-term obligations at December 31, 2002 and 2001.

ST. TAMMANY PARISH WATERWORKS DISTRICT NO. 3

Notes to the Financial Statements, continued

I. COMPENSATED ABSENCE AND PENSION PLAN

The District has no full-time employees; therefore, it does not have a formal vacation and sick leave policy and does not contribute to a pension plan or provide any post-retirement benefits.

2. CASH AND CASH EQUIVALENTS

At December 31, 2002 and 2001, respectively, the District has cash (bank balances) totaling \$175,456 and \$382,888 in interest-bearing demand deposit accounts and \$427,000 and \$160,000 in certificates of deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

3. RESTRICTED ASSETS

Bond requirements contain limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds. The District is in compliance with all such significant limitations and restrictions. A summary of restricted assets are as follows:

Revenue Bonds:	
Revenue Bond and Interest Sinking Fund	
Restricted cash	\$ 47
Total restricted assets	\$ 47

The purpose of these funds are as follows:

a) Revenue Bond and Interest Sinking Fund:

Monthly transfers are required to this Fund in an amount necessary to make the principal and interest payments as they become due. The Fund is restricted for that purpose.

ST. TAMMANY PARISH WATERWORKS DISTRICT NO. 3

Notes to the Financial Statements, continued

4. CHANGES IN FIXED ASSETS

A summary of changes in fixed assets and related depreciation follows:

	Balance January 1, 2002	Additions 2002	Balance December 31, 2002
Water System	\$657,995	\$19,885	\$677,880
Buildings	735	1,420	2,155
Equipment	46,264	-0-	46,264
Total	\$704,994	\$21,305	\$726,299
Less: Accumulated Depreciation	(798,125)	(22,686)	(820,811)
Balance at December 31, 2002	\$914,110	\$22,686	\$912,409

5. LEASES

The sewerage district has no capital or operating leases at December 31, 2002 and 2001.

6. LITIGATION

The sewerage district is not involved in any litigation at December 31, 2002.

7. DUE TO OTHER GOVERNMENTAL AGENCIES

The District is the collection agent for St. Tammany Parish Sewerage Districts No. 1 and No. 4. Sewerage fees collected that have not been remitted to the sewerage districts at December 31, 2002 are as follows:

<u>Due To</u>	<u>Amount</u>
St. Tammany Parish Sewerage District No. 1	\$ 41,680
St. Tammany Parish Sewerage District No. 4	\$ 55,025
Total	\$ 96,705

XX. TAMMANY PARISH WATERWORKS DISTRICT NO. 3

Notes to the Financial Statements, continued

9. PER DIEM PAID COMMISSIONERS FOR BOARD MEETINGS

Attendance and payment for Board of Commissioners meetings were as follows:

<u>Commissioner</u>	<u>Number of Meetings Attended</u>	<u>Amount</u>
Raymond Loggins	8	\$ 540
John North	11	780
William Burkholder	11	660
Ron Cloutier	10	600
Total		\$2,580

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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Board of Commissioners
St. Tammany Waterworks District No. 3
Covington, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the Management of St. Tammany Waterworks District No. 3 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about St. Tammany Waterworks District No. 3's compliance with certain laws and regulations during the year ending December 31, 2012 included in the accompanying Louisiana Assertion Questionnaire. This agreed upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$500,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2213 (the public bid law).

One expenditure was made during the year for materials and supplies exceeding \$15,000, and no such expenditures was made for public works exceeding \$500,000. The purchase was made in accordance with LSA-RS 38:2211-2213 (the public bid law).

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1104 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Mrs. Mary Jane VanDinkle is a part-time bookkeeper employed by the Waterworks District No. 3 and part of her cost is charged to the Waterworks District No. 3. There are no full-time employees of the Waterworks District No. 3.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The employee included on the list of employees provided by management in agreed-upon procedure (3) did not appear on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Proprietary funds are not required to adopt an annual budget. The District did not adopt a budget in 1982.

6. Review the budget adoption and amendments to the minute book.

Not applicable.

7. Compare the revenue and expenditures of the final budget to actual revenue and expenditures to determine if actual revenues and expenditures exceed budgeted amounts by more than 5%.

Not applicable.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- a.) trace payments to supporting documentation to be proper amount and payee;

I examined supporting documentation for each of the six disbursements and found that payment was for the proper amount and made to the correct payee.

- b.) determine if payments were properly coded to the correct fund and general ledger account; and

I examined the six selected disbursements and found they were properly coded to the correct general ledger account.

- c.) determine whether payments received approval from proper authorities.

I examined the six selected disbursements and found they were all signed and approved.

Meetings

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

St. Tammany Parish Waterworks District No.3 posted and advertised notices of meetings as required by LSA-RS 42:12.

Bank

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Expenses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

There were no full time employees of the Waterworks District No. 3 for the period under examination.

I was not engaged in, and did not perform an examination, the objective of which would be the expression of my opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of St. Tammany Waterworks District No. 3 the Legislative Auditor, State of Louisiana St. Tammany Parish Government, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for those purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Our prior year report, dated June 13, 2002, did not include any comments or unresolved matters.

Donna Marshall, CPA

Donna Marshall
Certified Public Accountant

July 7, 2003

WATER WORKS DISTRICT NO. 3
PARISH OF ST. TAMMANT
STATE OF LOUISIANA
P.O. BOX 1478
COVINGTON, LA 70424

LOUISIANA ATTENTION QUESTIONNAIRE
(For Attention Engagements of Government)
3-2-81 (Date Transmitted)

ROBERT MARSHALL, CPA, LLC
800 S. ROY LPO 38117 204
COVINGTON, LA 70433 (Auditor)

In connection with your completion of our financial statements as of 12/31/82 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Manual, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls that compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of MAY 2 2003

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employee or official have accepted anything of value, whether in the form of a service, loan, or gratuity, from anyone that would constitute a violation of LSA-RS 42:1709-1714.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1715.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 38:2301-24) or the budget requirements of LSA-RS 38:34.

Yes ☒ No ☐

Accounting and Reporting

All non-except governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:3, 44:51, and 44:58.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 34:514, 34:515, and/or 34:52, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 34:511.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42-1 through 42-12.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article V, Section 8 of the 1874 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 33:1415.85-1415.88.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VI, Section 14 of the 1874 Louisiana Constitution, LSA-RS 14:136, and AG opinion 79-728.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may come subsequent to the issuance of your report.

<u><i>[Signature]</i></u>	Secretary	<u>5/6/03</u>	Date
<u><i>[Signature]</i></u>	Treasurer		Date
<u><i>[Signature]</i></u>	President	<u>5-6-03</u>	Date